

Automated Commercial Environment—Requirements Recommendation

Date:	May 17, 2002
Number:	REV-013
Requestor:	TSN Revenue Committee
Customs Co-Chair:	Robert B. Hamilton
Trade Co-Chair:	James Phillips

Requirement

Provide the ability for Customs to recognize a crossing and determine that the carrier has pre-paid the annual border crossing fee or should be billed for a month of crossings (up to 20 crossings annually).

Transponders that should be available for expedited release include:

- Transponders used for expedited release programs
- Windshield Decal Transponders (by tractor)
- Border Pass Transponders that allow an account to be debited (transferable)

Current requirements allow for manual payment at crossing or the prepayment of fees by purchasing a decal for \$100 that is good for one year. Through the use of transponders (or other appropriate triggers), ACE should be able to electronically determine if a carrier has paid the fee allowing releases for 1 year or charge a carrier debit/credit account previously provided to US Customs (up to 20 crossings annually). Such capability appears to be allowed under 19 U.S.C. §58c(b)(2). Changes may be required to 19 CFR §24.22(c)(1), OR such capability may be considered as a “virtual decal” under the current regulation.

Carriers not using transponders should be able to present debit and credit cards or cash to US Customs at the border (US Customs estimates that Credit/Debit Cards, or Pre paid debit cards take only 2 to 3 seconds to process based on new systems and communications capabilities).

The electronic reporting of border fees should be open to all shippers that create an ACE Account profile. An expedited lane should be designated for carriers that participate in both electronic border fees and electronic release processes. A separate second expedited lane should be designated for carriers that partially use electronic border crossing and release processes.

Carriers with multiple trucks should be able to make one annual payment for the fleet (account) at the beginning of the year. This might be accomplished by reviewing their prior twelve months business to determine the number of cabs that crossed the border and then pay Customs \$100 X the number of cabs. The account would be flagged showing that this carrier has prepaid. At the end of the year, the carrier could be required to review the actual number of cabs used during the year and pay an additional sum if it exceeded the number originally paid on.

Business Need

The Trade and U.S. Customs require a more efficient process to pay border fees. Currently, Customs collects approximately \$10M annually in \$5.00 fees and approximately \$10M annually in decal fees from commercial trucks. The \$10M in \$5.00 payments translates to 2 Million crossings and the \$10 M in decal payments translates to 100,000 tractors with decals. Border crossing times are slowed to present payment. U.S. Customs spends significant time processing these receipts. Carriers that cross the border less than 20 times annually pay a premium per crossing if they purchase an annual decal.

Technical Need

Programming in ACE should allow Carriers to pay annual fee or set up debit/credit account information to be charged at each crossing. Transponder requirements and information flow to U.S. Customs booth needs to be established in parallel with expedited release processes.

Benefits

The benefits should include:

- ☐ Expedited release of shipments
- ☐ reduction of the burden on Trade and Government resources
- ☐ improved accounting

Risks

Disruption of data flow from the Transponders to US Customs could cause delays.

Related Subcommittees

Revenue, MMM, ITDS and Transition, Account

Priority: **Critical** ☐ **High** ☒ **Medium** ☐ **Low** ☐

Customs Use Only

Approved ☐

Not Approved ☐

Further Evaluation Required ☐

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